

Memorandum

Date: June 3, 2005

To: Chairman Randolph, Commissioners Blair, Downey, Huguenin and Remy

From: Mark Krausse, Executive Director

Re: Commission's 2005-06 Strategic Plan

The Commission's last comprehensive Strategic Plan was adopted in 1998-99, although annual "planning objectives" updates have identified goals in each of the intervening years. While the Legislature in 1994 enacted a mandate that strategic plans be updated each year, that mandate was repealed in 2001.

What follows is a roadmap for updating the Commission's Strategic Plan. I submit these suggestions in order to stimulate discussion and get direction for the first draft of the 2005-06 Strategic Plan.

Process for Adopting a 2005-06 Strategic Plan

I propose an initial discussion at the Commission's June 15th meeting, after which I will provide a draft 2005-06 Strategic Plan for further discussion at the July or September meeting, with adoption of a final plan scheduled for September or October. Public input will be encouraged through the meeting agenda and comment process.

I believe it would be useful to distill our final product down to an Executive Summary and three component chapters: **Service to the Public, Changes to the Act, and Resources/Staff Development**. I propose that the Commission incorporate in its 2005-06 Strategic Plan the existing Mission Statement, Agency Description, FPPC Principles and Vision Statement, rather than seek to amend those components, because I believe they are superior, and continue to serve us well today. In drafting our new plan, I propose focusing on the setting of goals and objectives, and methods of achieving, measuring and monitoring them.

This is the proposed framework for how to proceed, adapted from the Department of Finance's guidelines for developing strategic plans:

Goals & Objectives → Action Plans → Performance Measures → Monitoring & Tracking

Service to the Public

By way of background, the Commission provides the following services to the public:

Enforcement The Commission receives up to 1,000 complaints each year. While many of these complaints are closed without action, either because they fail to state a violation of the Political Reform Act or because they represent minimal public harm, an average of over 180 cases were prosecuted per year over the past five years. That average is nearly triple the average number of cases prosecuted over the previous five years, resulting in fines averaging nearly three-quarters of a million dollars per year. Much of the increased caseload capacity was made possible by streamlined enforcement programs that allow the Division to resolve non-filer and late-filing violations faster and more efficiently.

Telephone advice The Technical Assistance Division (TAD) receives approximately 50,000 calls per year from those seeking information regarding the Political Reform Act. The Political Reform Consultants who staff the phones in TAD are the “front lines” of the agency in terms of trying to educate and assist those we regulate. These PRCs are the single most likely point of contact outsiders will have with our agency. It is crucial that we offer knowledgeable, courteous and *readily available* PRCs. Currently, we are successful on all of these points, but recent budget cuts have taken their toll in TAD more than in any other division. In addition, the need for expertise in other divisions has required us to shift PRCs to perform other tasks.

Written advice Where advice questions are more involved, or where a question is being asked for the first time, we encourage written advice. Requesters may also prefer to ask for a written answer so as to provide themselves or their clients qualified immunity. In these instances, the Political Reform Act requires that we respond within 21 working days. The Commission’s Legal Division provides these written responses, with some support from the PRCs in the Technical Assistance Division. In many instances, we are able to meet the 21-day requirement. However, in some cases, due to the complex nature of the question being posed, the need for additional information, or the resources and priorities of the Legal Division, it is necessary for the Legal Division to notify the requester that it is extending the 21-day deadline as provided in statute.

Regulations The Legal Division workload most often competing with the issuance of timely advice is the promulgation of regulations. Whether necessitated by a new voter-approved initiative, recently enacted legislative changes, a litigation settlement or requests by the regulated community, regulations account for a significant portion of the Legal Division's workload.

Issuance of opinions Rarer than regulations, but presenting similar staffing and workload issues, is the practice of bringing questions of law to the Commission for resolution via the formal opinion route. Opinions often originate as advice requests that the staff or Chairman determine should be considered by the full Commission. The Commission is sponsoring legislation to create a pilot project for issuing opinions on questions involving Government Code section 1090. If enacted, this project would add to the Legal Division’s opinion workload. A budget augmentation of \$150,000 annually has been identified as necessary to fund the pilot project.

Training for filers and others The 1998-99 Strategic Plan set as a goal an increased level of automation in the training and education functions performed by the Commission through video and other electronic presentations. While video-based training proved to be a wooden and ineffective way to impart the requirements of the PRA, staff has made available on the Commission's website a conflict-of-interest slideshow presentation.

Filing officer functions The Commission provides formal and informal filing officer services to a variety of public agencies. The Commission receives between 12,000 to 15,000 filings annually for those public officials set forth in Government Code section 87200 (elective state office candidates and various other state and local officials) and designated employees in certain multi-county agencies (joint powers authorities and others). In addition, the Commission receives "behested-payment reports" for state officials. Less formally, the Commission is the repository for campaign and ethics codes for local jurisdictions throughout the state.

Code review The Commission also serves as the reviewing body for the conflict-of-interest codes of approximately 185 state agencies and approximately 510 multi-county agencies. Political Reform Consultants review new codes and code amendments submitted by these state and local entities and make recommendations to the Executive Director to whom the codes are submitted for approval.

Potential goals for consideration in the area of service to the public:

Enforcement of PRA violations Since the 1998-99 Strategic Plan, Enforcement Division implemented a caseload database system. The data now indicates the Division has a considerable backlog of cases that the current staffing level cannot possibly address. A large-scale closure of old cases is underway. The Division is also augmenting its system to better track cases as they proceed from intake through full investigation and to completion. This includes providing target dates for completion of each case. To complement these efforts, the Commission may wish to consider as a goal a method of determining the number of open cases the Division is able to process at various staffing levels. The Enforcement Division would determine which cases to close on intake and which to pursue to full investigation based on this calculation. As a part of this calculation, the Commission may wish to set guidelines for time-to-closure on enforcement cases, so that backlogs are less likely to occur in the future.

Education of local enforcement authorities One Southern California district attorney suggested that the Commission implement a training program to increase local enforcement of the Political Reform Act. The Commission may wish to consider as a goal developing a 6- or 12-month training program for deputy district attorneys to work in the Enforcement Division.

Telephone advice The Commission might consider how to we measure our effectiveness in delivering telephone advice. Possible measurements include the frequency with which callers get a live person vs. having to await a call back, average time in the telephone queue for those who elect to hold, etc. This data would be collected for the purpose of considering whether the Commission wishes to set a goal, and devote the resources to meet that goal on an identified timeline.

Written advice The Commission might wish to examine the mean and median average times it takes to issue advice letters to determine if it wishes to set a goal for reducing that time by devoting additional resources to the advice function.

Posting written advice to the website To improve education in and compliance with the Act, the Commission may wish to consider a goal of posting advice letters on its website. How to handle quality control, especially related to depublished letters, and include a meaningful search function are two issues the Commission should examine in considering this goal.

Web-based education/training in the Act The Commission may wish to consider other means of offering education and outreach via the web, keeping in mind that the information must be updated at least annually, and tailored to fit users' needs.

Better time/cost accounting The 1998-99 Strategic Plan identified several goals related to tracking personnel resources. While basic time-accounting procedures were implemented, these systems do not allow us to determine how much we spend on specific types of tasks. The Commission may wish to consider a goal of implementing a time/function accounting system that would provide more usable data for determining the costs of regulatory efforts, telephone and written advice by particular PRA provisions, and other detailed cost accounting procedures.

Account for the costs of unfunded PRA amendments In the spring of 2004, the Governor proposed a reduction to the Commission's budget of nearly \$1 million. Legislators considering that cut were swayed to reduce it to \$500,000 in part by the fact that many new mandates were imposed on the Commission over the years without funding. In order to better document the costs of these unfunded mandates, the Commission may wish to consider a goal of identifying a way to track them in advice, enforcement and regulatory workload. This goal could be part of the previous goal of developing a detailed cost accounting system.

Changes to the Act

The Political Reform Act has been amended by the legislature more than 200 times since its adoption by the voters in 1974. The resulting fluid character of the Act is one that candidates and others seeking to comply with its requirements often lament. But the regulated community might embrace major structural changes that aid compliance, and perhaps reduce enforcement workload, if properly presented. To this end, the Commission may wish to consider the following proposals:

Increase in major donor threshold The Commission could, by sponsoring legislation, increase the major donor threshold from the current level of \$10,000 in a calendar year to \$25,000 in a calendar year. Currently, a single contribution to a gubernatorial candidate at the \$22,300 limit will render that contributor a major donor, imposing on him or her the obligation to file semi-annual campaign statements. If the major donor threshold were increased to \$25,000, this would reduce the number of individuals and others required to file these semi-annual statements, while not impacting the vast majority of major political players who account for the bulk of campaign

funds collected throughout the state. At the same time, adjustment of the threshold would reduce the Enforcement Division's major donor streamline program workload, allowing them to shift resources to other violations.

Elimination of paper reports for electronic filers Shortly after the last Strategic Plan was adopted, the legislature mandated online campaign filing for those entities at the state level collecting or spending in excess of \$50,000 since the 2000 effective date of the legislation. As this system has been implemented for nearly five years, it may be appropriate for the Commission to consider as a goal elimination of paper reports for those filing electronically. Additionally, the Commission may wish to consider whether the traditional filing schedule should be scrapped for these electronic filers, in favor of a quarterly or monthly filing schedule, while retaining pre-election reporting deadlines. Significant study and public input would be required in order to fully consider this goal.

Resources/Staff Development

With a staffing level of 60 employees (a 12-year low), the Commission faces personnel and other resource challenges. At the same time, the reduction in personnel has caused us to become far more efficient. When the 1998-99 Strategic Plan was adopted, most documents were disseminated in hardcopy, and implementation of a "fax-on-demand" system was the automation goal. Today, the Commission has gone to fully electronic dissemination--via "list serve" emails and its website--of the quarterly *Bulletin* publication, monthly agenda documents, interested-persons meeting materials, and all forms, manuals and pamphlets.

As with any organization, improvements can still be made. The following areas are identified as those for which the Commission may wish to consider goals for improvement:

Personnel evaluations The Government Code and the State Administrative Manual require annual evaluations of employees. The 1998-99 Strategic Plan made agency-wide evaluations a goal, and managers and supervisors are now in nearly full compliance with this requirement. However, continued monitoring and prioritizing of this important measurement tool may be a goal the Commission wishes to continue to identify. In addition, the Commission may wish to consider use by managers and supervisors of the Individual Development Plan (IDP) in conjunction with annual evaluations to improve communication between managers and their employees regarding managers' expectations and employees' goals for their personal development.

Staff training and development One component of many Individual Development Plans is staff training. Unfortunately, discontinuation by the Department of Personnel Administration of the State Training Center, and several successive reductions in the Commission's budget funding have resulted in the near elimination of staff training. The Commission may wish to consider the goal of reestablishing some form of staff training.

Desktop technology Using funding available from the 2004-05 Fiscal Year as a result of staff vacancies, the Commission's Administration Division has contracted to purchase new personal

computers to replace those throughout the agency. This update comes some five years after the last upgrade, so the technology has improved considerably, while the cost of the machines has come down significantly. The Commission may wish to consider as a goal identification of additional technology, such as voice recognition software, desktop scanners, etc., that could increase efficiency throughout the agency. These tools should be considered in conjunction with the reduced level of clerical support the agency has after the last several rounds of budget cuts.

Compensation and benefit issues This item could be termed, "recruitment and retention issues," because those areas are so heavily impacted by the compensation and benefits available to our employees. As a small agency, the Commission has some built-in disadvantages when it comes to both recruiting and retaining its employees. First, larger agencies have more staff available to do proactive recruitment to targeted candidate pools. Many agencies, such as the Departments of Justice and Consumer Affairs, are better known to prospective employees, while our mission is somewhat more esoteric to the general public. Even when we are able to recruit qualified employees, we may lose them later to other agencies where the opportunities for advancement are greater. Two factors working against us here are the limited number of senior attorney positions we are able to offer our legal and enforcement attorneys, and the limited pay available to our investigators and accounting specialists relative to their counterparts in other agencies. The Commission may wish to consider a goal of documenting the various rules of state service that present challenges to the agency in recruiting and retaining employees in order to identify an action plan for overcoming those challenges.

Communications program The 1998-99 Strategic Plan identified as a goal an improved communications program, largely in the area of media relations. Incredible strides have been made there, to the point that the Commission has been acknowledged as one of the top state agencies, both in terms of its publications and web offerings, and in terms of its responsiveness to telephone press inquiries. The Commission may wish to consider a goal for improving internal communications via a staff newsletter to increase awareness of activities among the divisions and morale within each division.